

The Senate Finance Committee offered the following substitute to HR 1081:

A RESOLUTION

1 Creating the Joint Higher Education Finance and Formula Study Committee; and for other
2 purposes.

3 WHEREAS, the Board of Regents of the University System of Georgia and the Department
4 of Technical and Adult Education provide valuable services to the State of Georgia by
5 providing education and training necessary to enhance job skills; and

6 WHEREAS, a strong system of higher education enhances Georgia's economy; and

7 WHEREAS, a number of issues and concerns related to the financing of the Board of
8 Regents of the University System of Georgia have been raised during the 2005 and 2006
9 regular sessions of the General Assembly; and

10 WHEREAS, the Board of Regents of the University System of Georgia receives a majority
11 of its funding through a funding formula adopted in 1982 with no comprehensive review or
12 update in the 23 years since; and

13 WHEREAS, the funding formula adopted for the Department of Technical and Adult
14 Education in 2001 was modeled on the Board of Regents of the University System of
15 Georgia formula and may also need comprehensive review and updating; and

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17 WHEREAS, the Board of Regents of the University System of Georgia and the Department
18 of Technical and Adult Education have been impacted by fluctuations in the economy and
19 resulting reductions in funding; and

20 WHEREAS, a number of individuals have expressed an interest in including a
21 performance-based component within the financing methodology for both the Board of
22 Regents of the University System of Georgia and the Department of Technical and Adult
23 Education to better link resources provided to outcomes; and

1 WHEREAS, the Board of Regents of the University System of Georgia and the Department
2 of Technical and Adult Education comprise a significant portion of state bond financing in
3 any given fiscal year; and

4 WHEREAS, many of these issues and concerns warrant further study during the interim
5 between the 2006 and 2008 regular sessions of the General Assembly; and

6 WHEREAS, the issues should be studied jointly by the Governor, House, Senate, the Board
7 of Regents of the University System of Georgia, and the Department of Technical and Adult
8 Education to ensure all parties reach a suitable agreement for the future direction and
9 financing of the two higher education entities.

10 NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF
11 GEORGIA that there is created the Joint Higher Education Finance and Formula Study
12 Committee to be composed of three members to be appointed by the Speaker of the House
13 of Representatives; three members to be appointed by the Senate Committee on Assignments;
14 three members to be appointed by the Governor; one member to be appointed by the
15 Chancellor of the University System of Georgia; and one member to be appointed by the
16 Commissioner of the Department of Technical and Adult Education. The chairperson shall
17 be elected by the appointed members. The committee shall meet at the call of the
18 chairperson.

19 BE IT FURTHER RESOLVED that the committee shall undertake a study of the conditions,
20 needs, issues, and problems mentioned above or related thereto and recommend any actions
21 or legislation which the committee deems necessary or appropriate. As a minimum the
22 committee shall:

- 23 (1) Conduct a review of the current financing of the Board of Regents of the University
24 System of Georgia and the Department of Technical and Adult Education to include an
25 examination of budgeted revenues and expenditures;
- 26 (2) Recommend revisions to the current funding formula used in calculating funding
27 needs for the Board of Regents of the University System of Georgia;
- 28 (3) Recommend revisions to the current funding formula used in calculating funding
29 needs for the Department of Technical and Adult Education;
- 30 (4) Evaluate alternatives for a performance-based funding component for potential use
31 as a component of the financing methodology for both the Board of Regents of the
32 University System of Georgia and the Department of Technical and Adult Education;

- 1 (5) Establish models demonstrating the state-wide effects of proposed recommendations;
2 (6) Review capital outlay projections and prioritization methodology for the Board of
3 Regents of the University System of Georgia and the Department of Technical and Adult
4 Education; and
5 (7) Develop, as needed, a prioritized implementation schedule for any proposed changes
6 in financing for the Board of Regents of the University System of Georgia and the
7 Department of Technical and Adult Education.

8 BE IT FURTHER RESOLVED that the committee may conduct such meetings at such places
9 and at such times as it may deem necessary or convenient to enable it to exercise fully and
10 effectively its powers, perform its duties, and accomplish the objectives and purposes of this
11 resolution. The legislative members of the committee shall receive the allowances provided
12 for in Code Section 28-1-8 of the Official Code of Georgia Annotated. The other members
13 of the committee shall serve without compensation. The funds necessary to carry out the
14 provisions of this resolution shall come from funds appropriated to the House of
15 Representatives and the Senate. The expenses and allowances authorized by this resolution
16 shall not be received by any member of the committee for more than ten days unless
17 additional days are authorized.

18 BE IT FURTHER RESOLVED that the committee is directed to make a report of its findings
19 and recommendations not later than the convening of the 2008 regular session, at which time
20 the committee shall be dissolved.